

# Snapshot PRS-BTR

Q1 2023

The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by experts in the Knight Frank Spain office and are based on real data and market trends.

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## The average residential rental price in Spain sets a new record at €11.3/m<sup>2</sup>

- During the month of March, the price of residential rentals in Spain has experienced an average increase of 8%, following several consecutive rises. This is a widespread trend in most provinces of the country.

### SITUATION IN SPAIN

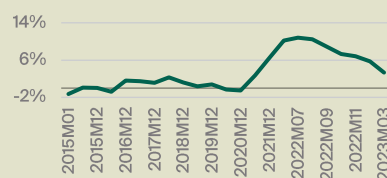
The CPI continues to show restraint, having grown by 3.3% in the month of March, which is more than two and a half points lower than the previous month's figure.

Household wealth has been growing over the past year, with a 1.3% increase in net financial wealth in the last quarter of 2022, while real estate wealth has increased by almost 6% compared to the same period of the previous year.

Regarding gross disposable household income, for the second consecutive year, it has increased by 4.2% during the last three months of 2022, reaching over €223 billion.

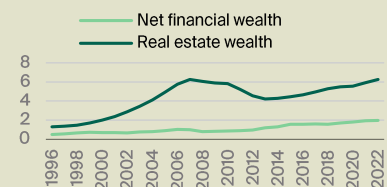
The housing affordability ratio in Spain stands at 29% at the end of the year, which represents a slight decrease compared to the previous quarter. Seven provinces are above the national average, with Málaga standing out with a rate of 45%, having increased by almost 16 percentage points in the last quarter.

**Spain CPI**  
Y-o-y (%). 2017 – Mar 2023



Source: INE

**Household's wealth**  
2006 - 2022. Billions.



Source: Banco de España

## Spain

Latest available data

**+3.8 %** y-o-y | GDP (Q1 2023)

**+4.2 %** y-o-y | Gross available household income (Dic 2022)

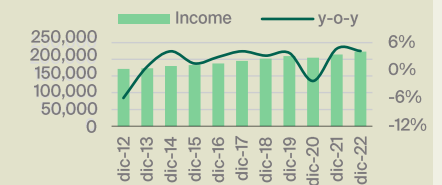
**30 %** Rent effort rate (Q4 2022)

**11.3 €/sqm** Average rental Price (Mar 2023)

**3.4 %** Gross return on housing rental (Q1 2023)

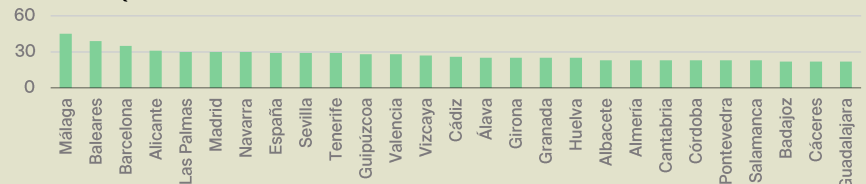
Source: FMI / INE / Banco de España / Idealista

**Gross available household income**  
Dic 2012 – dic 2022. M€



Source: Banco de España

**Rental effort rate**  
Provinces. Q4 2022. %



Source: Idealista

## TRANSACTIONS AND PRICES IN SPAIN

The year begins with an investment volume of around 368 million euros for the first quarter, which represents a 60% adjustment compared to the same quarter of the previous year, where figures were significantly higher than in previous years.

Turnkey projects are capturing the most attention from investors, as they accounted for almost 75% of the total investment volume for the quarter.

The province of Madrid continues to be a major location for this sector, and the data supports it, as over 70% of the investment in the first three months has been concentrated in this territory.

The average rental price in Spain reaches a new high, registering €11.3/m<sup>2</sup> in the month of March, which is nearly 8% higher than the same month of the previous year. Among the provinces that have experienced the highest growth are Málaga, Teruel, and Jaén. Only Córdoba has seen a decrease in prices with a -3%.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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# Spain

Investment volumen Q1 2023

**€368 M** (€910 € Q1 2022)

Top 3 investment deals Q1 2023

**€250 M** | Madrid

Vendor: Culmia | Purchaser: DWS  
Houses: 1,763  
Source: EjePrime

**€40 M** | Barcelona

Vendor: Confidencial | Purchaser: Ádsolum  
Houses: 150  
Source: Brainsre

**€21 M** | Albacete

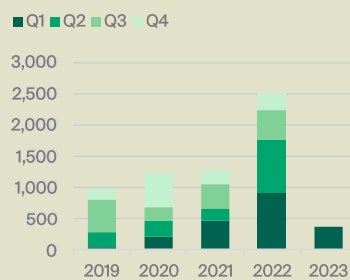
Vendor: Grupo Albaluz | Purchaser: Primevest  
Houses: 127  
Source: Idealista

► One of the notable transactions of the quarter is the purchase by investment fund DWS of a package of 1,763 homes from Culmia for 250 million euros.

The homes belong to Lot 3 of the first phase of the Vive plan and will be developed on twelve plots located in the municipalities of San Sebastián de los Reyes, Tres Cantos, Alcorcón, Alcalá de Henares, and Getafe, all situated in the Madrid region.

### PRS investment volume

2019 – Q1 2023. M€



Source: Knight Frank Research

### Average rental price

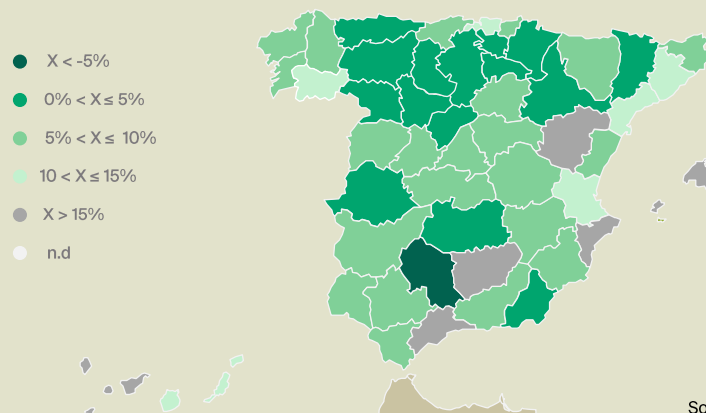
Spain 2008 – mar 2023. €/sq m



Source: Idealista

### Spain. Y-o-y in the price of rental housing

March 2023 (%)



Source: Idealista